Sample Business Plan for a Successful Classic Car Restoration in the US

Heritage Auto Restorations LLC (Texas LLC, founded Q3 2023) is led by Michael Reynolds (ex-RM Sotheby's VP, grew division to $28M revenue in 5 years) and James Calloway (25-year master restorer, completed 87 concours projects). We restore classic cars for collectors at $45,000-$400,000/project, targeting $450,000 Year 1 revenue with 45% gross margin. Plan dated October 2023.

SECTION 1: EXECUTIVE SUMMARY

US collectors spend $1.8B annually on restorations (SEMA 2023), but 68% report project delays exceeding 6 months due to fragmented vendor networks (Hagerty Client Survey). Heritage Auto Restorations solves this via in-house master craftsmen and digital project tracking, completing restorations 30% faster than industry average (10.2 vs 14.6 months). We charge $75,000 average project value with 55% COGS, yielding 45% gross margin.

Revenue comes from 5 service tiers: 40% driver-quality ($65,000 avg), 30% full restoration ($115,000 avg), 20% partial ($25,000 avg), 10% maintenance ($5,000 avg). Year 1 targets 6 projects ($450,000 revenue), reaching profitability at Month 7 with $150,000 fixed costs covered at 4.4 projects. Net margin grows to 16.7% by Year 3 on $1.26M revenue.

We seek $300,000 SBA 7(a) loan (10-year term, 6.5% interest) to fund: 60% equipment ($150,000), 27% facility buildout ($81,000), 13% working capital ($39,000). This funds 12-month runway to $820,000 Year 2 revenue, delivering 22% ROI by Year 3 through 14 projects at 50% gross margin.

SECTION 2: COMPANY OVERVIEW

Formed as Texas LLC for liability protection and pass-through taxation. Austin location chosen for 32% higher collector density than US average (HVA 2023) and proximity to 14 major car events annually. Ownership: Reynolds 60%, Calloway 30%, Chen 10% (convertible note at 8% interest).

Reynolds grew RM Sotheby's Texas operations from $3.2M to $28M revenue (2015-2020), executing 1,200+ vehicle sales. Calloway led restoration of 87 concours vehicles (32 Mercedes 300SLs, 29 Ford GT40s) with 94% client repeat rate at Classic Car Studio 2018-2022. Nguyen drove 35% referral growth at Hagerty via high-net-worth client programs.

Date	Milestone	Status	Next Steps
Aug 2023	LLC formation & EIN	Complete	N/A
Sep 2023	Lease signed (6,500 sq ft)	Complete	Buildout completion by Nov 15
Oct 2023	SBA loan application	In process	Close by Dec 15
Nov 2023	Equipment procurement	Planned	Finalize PPG paint system order
Dec 2023	First client deposit	Target	Secure 2 projects via Barrett-Jackson event
Mar 2024	First project delivery	Target	Complete Ford Mustang restoration

SECTION 3: MARKET ANALYSIS

TAM: $1.8B (SEMA 2023 restoration spend). SAM: $420M (Southern/Western US, calculated as 23.3% of TAM based on collector density). SOM: $18M (4.3% of SAM by Year 5, using 0.7% initial market penetration growing 1.2x annually). Methodology: Hagerty transaction data adjusted for regional collector concentration (Texas 18.2%, California 22.1%, Arizona 6.3%, Colorado 5.1%).

Target customers: 52-year median age, $412,000 median household income (Hagerty 2023). 78% own 3+ collector vehicles. Budget ranges: $45,000-$90,000 for driver-quality (65% of buyers), $120,000+ for concours (22%). Buying cycle: 14.6 months average from inquiry to deposit (SEMA).

Market trends: 1) Driver-quality demand growing at 14% CAGR (vs 7% for concours); 2) 41% of restorations now include modern reliability upgrades (EFI, A/C); 3) Millennial collectors growing at 18% annually (HVA); 4) NOS parts scarcity increasing costs 9% yearly (Classic Industries).

Segment	Size ($)	Growth Rate	Our Share Target	Rationale
Driver-Quality (1964-73 muscle)	780M	14%	1.2% Year 1	Lower price point, faster turnaround
Concours (Pre-1975 exotics)	540M	7%	0.3% Year 1	Requires master craftsman credentials
1980s Icons (911, Mustang)	320M	22%	0.8% Year 1	Younger buyer focus, lower competition
Maintenance/Storage	160M	9%	0.5% Year 1	Recurring revenue, high retention

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
Restoration Services	1.8B	420M	5.2M	TAM x regional collector density (23.3%) x Year 1 penetration (1.24%)

SECTION 4: COMPETITIVE ANALYSIS

Top 3 competitors: Classic Car Studio (Houston, est. $4.2M revenue, 12 projects/year), The Bunker (Austin, est. $1.8M revenue, 8 projects/year), RM Auto (Denver, est. $7.5M revenue, 15 projects/year). Weaknesses: 72% outsource fabrication (Classic Car Studio), 65% lack digital tracking (The Bunker), 40% project delays >8 months (RM Auto).

Our advantages: 1) In-house fabrication reduces delays by 30% (verified by Calloway's 87-project history); 2) Client portal cuts communication time 50% (Jobber CRM data); 3) NOS parts partnerships secure 95% availability vs industry 78% (Concours Parts); 4) Hybrid restoration (authentic + modern upgrades) commands 18% price premium.

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Classic Car Studio	4.2M	120K avg	Brand recognition	Outsources 72% fabrication	100% in-house metalwork
The Bunker	1.8M	95K avg	Youth appeal	No digital tracking	Real-time client portal
RM Auto	7.5M	150K avg	National reach	14.6m avg timeline	10.2m avg timeline
DIY Parts Suppliers	280M	N/A	Low cost parts	No labor expertise	Turnkey solution

Strengths	Weaknesses	Opportunities	Threats
Master craftsman team (25+ yrs exp)	Limited brand awareness	18% CAGR in 1980s icons	Economic downturn reducing HNWI spend
100% in-house fabrication	High startup costs ($450K)	Modern upgrade demand (+14% CAGR)	NOS parts scarcity (+9% cost/yr)
Digital project tracking	Dependent on 2 key personnel	Millennial collector growth (18% yr/yr)	Regulatory changes (EPA paint rules)
Strategic supplier partnerships	Regional market focus	Hagerty referral program (35% uptake)	New competitors entering market

SECTION 5: PRODUCTS & SERVICES

We deliver end-to-end restoration: 1) Full frame-off ($80K-$250K): Complete disassembly, metal fabrication, PPG paint, OEM-spec upholstery. Includes 360° progress photos and NOS parts verification. 2) Concours ($120K-$400K): Pebble Beach-level accuracy with factory documentation. 3) Driver-quality ($45K-$90K): Modern EFI/A/C upgrades with 3-year warranty. 4) Partial ($10K-$40K): Modular services like engine rebuilds. 5) Maintenance ($1,500-$10K/yr): Climate storage with bi-annual inspections.

Pricing uses value-based tiers: Driver-quality at $65,000 (vs competitors' $58,000) due to 30% faster completion. Concours at $185,000 (vs $150,000) for NOS parts guarantee. 50% deposit, 30% at mechanical completion, 20% at delivery. $5,000 extended warranty adds 7% revenue with 82% margin.

Tier	Price	Features	Target Customer	Expected % Rev	Gross Margin
Driver-Quality	65,000	Modern upgrades, 10m timeline	55-65yo enthusiasts	40%	48%
Full Restoration	115,000	Frame-off, OEM parts	65-75yo collectors	30%	46%
Partial	25,000	Modular services	All segments	20%	52%
Maintenance	5,000	Storage + inspections	Existing clients	10%	68%

Metric	Value	Calculation/Notes
Price per unit	75,000	Weighted avg: (65Kx40%)+(115Kx30%)+(25Kx20%)+(5Kx10%)
COGS per unit	41,250	Labor 62% ($25,575), Materials 33% ($13,575), Subcontracting 5% ($2,100)
Gross Profit/unit	33,750	75,000 - 41,250
Gross Margin %	45%	33,750 / 75,000
CAC	58.60	Google Ads: $8,500/mo / 145 leads * 1.0 conversion rate

LTV	112,500	33,750 GP * 1.2 repeat rate / 36% churn
LTV:CAC	1,920	112,500 / 58.60
Payback Period	1.7 months	CAC / (GP per project / 12)

SECTION 6: MARKETING & SALES

Go-to-market: Google Ads targeting "classic car restoration Texas" (CPC $2.40, CTR 3.2%, conversion 4.1%). Budget: $8,500/month yielding 145 leads at $58.60 CAC. YouTube time-lapses (50k views/video) drive 32% of leads. Barrett-Jackson sponsorship ($12,000/event) generates 8 qualified leads per show.

Sales cycle: 14-day consultation-to-deposit (vs industry 21 days). Stages: Inquiry (145 leads/mo), Assessment (58 leads/mo, 40% conversion), Contract (23 projects/mo, 40% close rate). Average cycle: 18 days. Close rate: 39.7% (23/58).

Retention: Free annual check-ups reduce churn to 3% monthly (vs industry 7%). "Drive Days" events target 65% client attendance. Maintenance program upsell rate: 42% of restoration clients.

Channel	Monthly Budget	Expected CAC	Expected Leads/Month	Conversion Rate	Expected Customers/Month	ROI
Google Ads	8,500	58.60	145	4.1%	5.9	572%
YouTube	1,200	20.30	59	3.9%	2.3	1,650%
Car Shows	3,000	1,500	8	12.5%	1.0	225%
Referrals	0	0	12	33.3%	4.0	N/A

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0
3	8,500	1,200	500	0	300	10,500	224	9.2
4-12	8,500	1,200	500	3,000	300	13,500	224	9.2

SECTION 7: OPERATIONS

Daily workflow: 8 projects max (2 full, 4 driver, 2 partial). Jobber software schedules technician shifts (8am-5pm), tracks 127-step restoration checklist. Capacity: 10.2 months/project with 8 bays. Weekly review: Reynolds (sales), Calloway (production), Lopez (mechanics). KPIs: On-time completion (target 92%), rework rate (target <5%).

Key suppliers: PPG (paint, $12,000/mo, net-30 terms), Leather Plus (upholstery, $8,500/mo, 2% discount for early pay). Technology: Jobber ($299/mo), QuickBooks Online ($50/mo), GoToMeeting ($89/mo). Backup suppliers identified for 100% critical parts.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
PPG Industries	Paint materials	12,000	Net-30, 2% discount	AkzoNobel
Leather Plus	Upholstery materials	8,500	Net-15, 3% discount	Covington
Precision Engine	Crank grinding	3,200	Per job, 10% volume discount	Local machine shop
Jobber	CRM/software	299	Month-to-month	Shopmonkey

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
Jobber	Service management	299	5	Shopmonkey (rejected: $429/mo)
QuickBooks Online	Accounting	50	2	Xero (rejected: payroll integration)
GoToMeeting	Client consultations	89	3	Zoom (rejected: no CRM sync)
PPG Paint System	Paint application	0	2	AkzoNobel (rejected: higher VOC)

SECTION 8: MANAGEMENT TEAM

Structure: 5 FTEs by Year 2 (CEO, Operations, Business Dev, 2 Mechanics). Salaries: Reynolds $95,000 (below market $120,000 to conserve cash), Calloway $85,000 (vs market $110,000), Nguyen $75,000 (vs market $90,000). Bonuses: 10% of net profit above $100,000.

Advisors: Mark Thompson (ex-Hagerty CEO, 0.5% equity), Linda Rodriguez (SEMA compliance expert, $150/hr). Compensation: Thompson 0.5% equity, Rodriguez $1,800/mo retainer.

Month	Role	Salary	Priority	Source	Onboarding Time
1	Lead Mechanic	62,000	High	McPherson College	30 days
4	Apprentice	45,000	Medium	Trade school	60 days
7	Admin Assistant	48,000	Low	Indeed	14 days

SECTION 9: FINANCIAL PLAN

Key assumptions: Year 1: 6 projects (4 driver, 1 full, 1 partial), $75,000 avg revenue. Monthly churn: 3%. CAC: $58.60. COGS: 55% of revenue. Fixed costs: $12,500/mo. Break-even: 4.4 projects/year. Year 2: 10 projects ($82K avg), Year 3: 14 projects ($90K avg).

Revenue model: 70% from restorations (project-based), 30% recurring (maintenance/storage). Growth drivers: 39.7% sales close rate, 42% maintenance upsell, 33% referral rate. Price increases: 5% annually starting Year 2.

Cost structure: 55% COGS (62% labor, 33% materials, 5% subcontracting), 40% fixed OpEx (rent, salaries, software), 5% variable OpEx (marketing, supplies). Fixed costs scale 8% annually; COGS scales linearly with projects.

Funding: $300,000 SBA loan covers 67% of $450,000 startup costs. $150,000 equity ($100K Reynolds, $50K Chen). Funds 12-month runway to $820,000 revenue, covering 8 projects to completion.

Ca	Item	Cost	Notes
Legal Formation	LLC filing	1,200	Texas state fees
Licenses/Permits	EPA paint permit	3,500	Required for VOC complian
Equipment	Paint booth	65,000	PPG-cer system
Equipment	Lifts (3)	42,000	9,000 each + installatio
Equipment	Welding station	18,500	MIG/TIG setup
Technology	Client portal dev	12,000	Custom build
Initial Inventory	Paint supplies	25,000	6-month stock

Initial Inventory	Upholstery stock	15,000	Leather Plus agreeme
Marketing Launch	Website + SEO	18,000	Includes 6-month content
Marketing Launch	Google Ads setup	7,000	Initial campaig funding
Working Capital	3-month reserve	37,500	12,500 x 3
Insurance	Annual premium	18,000	Garage liability + tools
Professional Fees	Accounting setup	5,000	QuickBo integratio
Facility Setup	Climate control	45,000	14ft ceiling system
Contingency	10% buffer	45,000	450,000 x 10%
	Total	450,000	

C	Type	Monthly Cost	Annual Cost	Notes
Rent	Fixed	6,500	78,000	6,500 sq ft @ $1/sq ft

	Salaries	Fixed	7,917	95,000		Reynolds only initially
	Benefits	Fixed	1,583	19,000		20% of payroll
	Insurance	Fixed	1,500	18,000		
	Software	Fixed	438	5,250		Jobber, QuickBoo GoTo
	Utilities	Fixed	850	10,200		Electricity
	Marketing	Variable	13,500	162,000		From Section 6 table
	Supplies	Variable	2,000	24,000		Consuma per project
	Loan Payment	Fixed	3,417	41,000		SBA 7(a) $300K @ 6.5%
	Professional Services	Fixed	1,500	18,000		Accountin
	Travel	Variable	1,000	12,000		Car show attendanc
	Other	Variable	500	6,000		Miscellan
		Fixed Total	21,750	261,000		
		Variable Total	17,000	204,000		
		Combined Total	38,750	465,000		

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Year 1
Revenue	0	0	0	37,500	37,500	37,500	75,000	75,000	75,000	75,000	75,000	75,000	450,000

COGS	0	0	0	20,625	20,625	20,625	41,250	41,250	41,250	41,250	41,250	41,250	247,500
Gross Profit	0	0	0	16,875	16,875	16,875	33,750	33,750	33,750	33,750	33,750	33,750	202,500
Marketing	0	0	10,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	145,500
Salaries	7,917	7,917	7,917	7,917	7,917	7,917	15,833	15,833	15,833	15,833	15,833	15,833	142,500
Rent	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000
Software	438	438	438	438	438	438	438	438	438	438	438	438	5,250
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Other OpEx	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	28,200
Total OpEx	18,705	18,705	29,205	32,205	32,205	32,205	40,121	40,121	40,121	40,121	40,121	40,121	427,450
EBITDA	-18,705	-18,705	-29,205	-15,330	-15,330	-15,330	-6,371	-6,371	-6,371	-6,371	-6,371	-6,371	-224,950
Depreciation	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
EBIT	-31,205	-31,205	-41,705	-27,830	-27,830	-27,830	-18,871	-18,871	-18,871	-18,871	-18,871	-18,871	-374,950
Interest	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	19,500
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-32,830	-32,830	-43,330	-29,455	-29,455	-29,455	-20,496	-20,496	-20,496	-20,496	-20,496	-20,496	-22,500

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	150,000	60,000	-37,170	-80,500	-109,955	-139,410	-159,906	-180,402	-200,898	-221,394	-241,890	-262,386
Cash In	0	0	0	37,500	37,500	37,500	75,000	75,000	75,000	75,000	75,000	75,000
Total Cash In	0	0	0	37,500	37,500	37,500	75,000	75,000	75,000	75,000	75,000	75,000
Cash Out	90,000	97,170	43,330	66,955	66,955	66,955	56,451	56,451	56,451	56,451	56,451	56,451
Total Cash Out	90,000	97,170	43,330	66,955	66,955	66,955	56,451	56,451	56,451	56,451	56,451	56,451
Net Cash Flow	-90,000	-97,170	-43,330	-29,455	-29,455	-29,455	18,549	18,549	18,549	18,549	18,549	18,549
Ending Cash	60,000	-37,170	-80,500	-109,955	-139,410	-159,906	-141,357	-122,808	-104,259	-85,710	-67,161	-48,612

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total

Revenue	450,000	180,000	205,000	215,000	220,000	300,000	315,000	320,000	325,000	1,260,000
COGS	247,500	99,000	112,750	118,250	121,000	165,000	173,250	176,000	178,750	693,000
Gross Profit	202,500	81,000	92,250	96,750	99,000	135,000	141,750	144,000	146,250	567,000
OpEx	427,450	75,000	77,500	80,000	82,500	105,000	107,500	110,000	112,500	435,000
EBITDA	-224,950	6,000	14,750	16,750	16,500	30,000	34,250	34,000	33,750	132,000
Net Income	-22,500	-5,000	8,500	10,500	10,500	22,500	25,500	25,500	25,500	99,000
Ending Cash	-48,612	-35,000	15,000	55,000	95,000	155,000	215,000	275,000	335,000	335,000

Metric	Value	Calculation
Monthly Fixed Costs	21,750	From OpEx table
Variable Cost per Unit	20,625	41,250 COGS / 2 projects monthly
Price per Unit	37,500	75,000 / 2 projects monthly
Contribution Margin/unit	16,875	37,500 - 20,625
Contribution Margin %	45%	16,875 / 37,500
Break-Even Units/mo	1.29	21,750 / 16,875
Break-Even Revenue/mo	48,375	1.29 x 37,500
Expected Break-Even Month	7	From P&L table
Safety Margin	36%	(6 projects - 4.4) / 6

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	45%	50%	50%	45-55%

Operating Margin %	-4.4%	13.4%	16.7%	10-15%
Net Profit Margin %	-5.0%	13.4%	16.7%	8-12%
Current Ratio	0.8	1.9	2.5	1.5+
CAC Payback	1.7 mo	1.5 mo	1.4 mo	6-18 mo
LTV:CAC	1,920	2,100	2,250	3:1+
Monthly Burn	18,750	-	-	-
Runway	8 mo	-	-	-

SECTION 10: RISK ANALYSIS

Top risks: 1) Skilled labor shortage (probability 4/5, impact 5/5): Master restorer vacancy could delay projects 60+ days. 2) NOS parts scarcity (prob 5/5, impact 4/5): 9% annual cost increase threatens margins. 3) Economic downturn (prob 3/5, impact 5/5): 2008 saw 32% restoration spend decline. 4) EPA non-compliance (prob 2/5, impact 5/5): Fines up to $100,000/violation.

Mitigation: 1) McPherson College apprenticeship program targets 2 graduates/year at $45K salary (vs $65K market). 2) 3D scanning for reproduction parts (investment: $25,000 Year 2). 3) Driver-quality tier (65% of revenue) less cyclical; 2008 data shows 18% decline vs 32% for concours. 4) Quarterly EPA audits ($2,500/audit).

Risk	Probability	Impact	Risk Score	Mitigation Strategy	Contingency Plan	Owner
Skilled labor shortage	4	5	20	Apprenticeship program with McPherson College	Outsource to Precision Engine Rebuilders	Calloway
NOS parts scarcity	5	4	20	3D scanning investment ($25K Year 2)	Switch to reproduction parts suppliers	Reynolds
Economic downturn	3	5	15	Expand driver-quality offerings (65% rev)	Reduce overhead by 15% via furloughs	Reynolds
EPA non-compliance	2	5	10	Quarterly audits ($2,500/audit)	Temporary paint booth shutdown	Lopez
Project delays	4	3	12	20% timeline buffer in contracts	Phased payment structure (50/30/20)	Calloway

SECTION 11: IMPLEMENTATION TIMELINE

Priority 1: Secure SBA loan by Dec 15 to fund equipment procurement. Critical path: EPA permit approval (30-day lead time) before paint booth installation. Dependency: Loan closing triggers vendor deposits. Priority 2: Achieve 4.4 projects by Month 7 to hit break-even. Requires 145 leads/month from Google Ads (launch Month 3).

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Loan application	Complete SBA package	$5,000 legal fees	Application submitted	Reynolds
2	Facility buildout	Climate control installed	$45,000 budget	System operational	Lopez
3	Marketing launch	Google Ads live	$10,500 budget	145 leads generated	Nguyen
4	First deposit	2 signed contracts	Sales team effort	$75,000 revenue	Nguyen
5	Paint system operational	EPA permit secured	$3,500 permit fee	First paint job completed	Lopez
6	Process refinement	127-step checklist updated	Team review	10% rework reduction	Calloway
7	Break-even	4.4 projects completed	Production capacity	Positive EBITDA	Reynolds
8	Client portal launch	Real-time tracking live	$12,000 dev cost	80% client adoption	Nguyen
9	First referral	Client referral received	5% commission program	$3,750 revenue	Nguyen
10	Maintenance program	5 clients enrolled	Storage space allocation	$7,500 recurring revenue	Calloway
11	Apprentice hire	McPherson graduate onboarded	$45,000 salary	Productivity at 50% of master	Calloway
12	Year 1 review	Financial audit complete	$5,000 accounting	22,500 net income achieved	Reynolds